
THE NEILL NETWORK NEWS

Phone: (480) 922-9268
Fax: (480) 922-9271

G. Wayne Neill, CPA/PFS, CFP
10751 N Frank Lloyd Wright Boulevard Suite 103
Scottsdale, Arizona 85259

neillw@ceteranetworks.com
www.neillnetwork.com

Volume 25, Issue I

January 2018



The IRS has raised the maximum amount you can contribute to a 401k Plan.

For 2018, anyone up to the age of 50 can contribute \$18,500. If you are over 50, the amount goes up to \$24,500.

Helping Our Adult Children Plan For The Future

Here are a couple of scary facts:

49% of Americans have less than \$500 in checking & savings

GoBankingRates.com

52% of Men and 63% of Women have less than \$10,000 saved for retirement

MagnifyMoney.com

Most of my clients have adult children, many of who are in their 20's and 30's. I have 4 sons that age. Here are some things I have encouraged them to do:

1. Sign up for their company 401k plan. Many companies have a matching contribution. Never pass up free money!! Try and increase your contributions each year by 1% of your salary.
2. Try to stay away from credit cards. Use a debit card instead. At some point, you will want to take out a credit card with a small maximum (\$500). This will help establish credit. But be very careful with credit cards.
3. Start a monthly savings program from your bank account, with the goal of establishing an emergency fund of \$1,000. Once your emergency fund reaches 3 months expenses, start looking at a mutual fund investment,
4. Parents, here is a great idea for you. Set up a Roth IRA account for your young adult, and make regular annual contributions. They can also contribute, once they build up a 3 month emergency fund.

Finally, I'm always happy to meet with your adult children for a one-on-one initial consultation, at no charge. Feel free to have them give me a call.

Why Did You Take Social Security Early?

According to a Fidelity Advisor 2013 survey, 74% of people chose to start Social Security early. This means they took a reduced benefit over what they could have received. Only 12% of those surveyed said they collected early because they needed to.

Your lifetime Social Security benefits can amount to up to \$2 million dollars! Make sure you make the right decision about when to start claiming benefits. Give us a call!

Tax Changes Coming Your Way



President Trump signed into law the Tax Cuts and Jobs Act of 2017 right before the holidays. This is going to be one of the most sweeping changes to the Tax code in quite some time. Here are some provisions that may affect you:

- * Pre-tax Dependent Care reimbursement from your company has been eliminated.
- * Moving expenses are no longer deductible.
- * For divorces after 2018, spousal maintenance (alimony) will no longer be taxed to the recipient or deductible by the payor.
- * The standard deduction was raised to \$12,000 for single individuals and \$24,000 for married individuals. This will mean less people will file a Schedule A with their taxes.
- * State income tax and property taxes will be deductible up to a maximum of \$10,000. Home mortgage interest on new purchases would be limited to the interest on a \$750,00 mortgage (currently, \$1 million). Home equity loan interest is no longer deductible.
- * The personal exemption deduction for yourself, spouse and children has been eliminated.
- * Tax rates have been reduced across the board by 1 - 2.6%.
- * The child tax credit will be increased from \$1,000 per child to \$2,000 per child. But there is still be a phase out for high income individuals.

This is not intended to be an exhaustive list. What will this mean to your overall tax bill for 2018? Hopefully, we can give you idea on that later in the year, once our tax planning software incorporates the final changes.

*Securities and investment advisory services are offered through
Cetera Advisor Networks LLC,
a registered broker/dealer, member FINRA/SIPC.
Cetera is under separate ownership from any other named entity.*
